



SBA Office of Entrepreneurship Education

Young Entrepreneurs: Quick Reference Guide: “Six Must-Do” Steps to Starting your Business

Congratulations on completing the U.S. Small Business Administration’s online training course “*Young Entrepreneurs: An Essential Guide to Starting Your Own Business.*” This quick reference guide summarizes the essential steps and resources you need to take to get started and be successful.

1) Have a Plan

You don’t need a 100-page plan, instead, try developing your business plan as a succinct, living document that you revisit and update as the market and business conditions and opportunities evolve. Your business plan should help you:

- Define success
- Focus
- Understand meaningful steps
- Manage the planning process
- Break up your plan into mini-plans

For more information check out the SBA guide: [Essential Elements of a Good Business Plan](#).

2) Get Assistance

Save yourself a lot of time and effort by seeking the help of a mentor as you start-up and grow. Many of these services are available for free and include:

- **Assistance in the Community**

SCORE	A nonprofit association dedicated to educating entrepreneurs and helping small businesses start, grow, and succeed nationwide.
Small Business Development Centers (SBDCs)	Located in 50 states, SBDC services aim at giving educational services for small business owners and aspiring entrepreneurs. All services given at SBDCs are free and confidential.
Women’s Business Centers (WBCs)	Nearly 100 educational centers designed to assist women start and grow small businesses. WBCs operate with the mission to “level the playing field” for women entrepreneurs.
SBA partner locations	Veterans Centers and Export Assistance Centers

- **Assistance Online**

SBA Direct (www.sba.gov/sba-direct)	An easy-to-use online tool, hosted on SBA.gov, that can help you easily locate assistance and training for your
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	entrepreneurial dream.
SBA's Online Training Services	Resources include online trainings which cover many business topics for you to learn.

3) Find a Mentor

During the first few years of being a start-up, perhaps more than any other time in your working life, you will need a mentor...someone to turn to for advice and support. The following resources can help you find a mentor:

- Government-sponsored mentor organizations like [SBA's Small Business Assistance and Training and Mentoring](#) and [SCORE](#) mentoring services.
- Look within your own network to family, business leaders, teachers, and so on.

4) Decide on a Business Model or Structure

When you start a business, one of the first decisions you have to make is how to legally structure your business. Common options include:

Sole proprietorship	Owned and run by one individual, no legal distinction between the owner and the business, owner receives all profits, unlimited responsibility for all losses and debts.	Read SBA's guide for " Self-Employed Independent Contractors " to learn more.
Partnership	Two or more people share ownership and contribute to all aspects of the business, and shares in the profits and losses of the business.	Read SBA's guide to " Partnership " to learn more.
Limited Liability Company (LLC)	A legal form of company that provides limited liability to its owners in the vast majority of United States jurisdictions.	Read SBA's guide to LLC's to learn more.

Other legal business entities include a cooperation, non-profit, cooperative - visit SBA's guide to "[Registering and Incorporating Your Business](#)" for more information.

5) Finance Your Venture

Not all businesses need a huge injection of capital to get started. But it is important to assess your funding needs and be sure to develop and test your idea before seeking financing.

For young entrepreneurs, financing options typically considered include:

Bootstrapping	Funding your business on your own: <ul style="list-style-type: none"> – Pros: business isn't defined by the demands of external investors. – Cons: it's risky, consider consulting a financial advisor.
Microloans	Small, short-term loans for small businesses and certain types of not-for-profit child-care centers: <ul style="list-style-type: none"> – Pros: available through bank loan programs or you might be eligible for a loan that is guaranteed by SBA. Microloans are typically made in the range of \$13,000. – Cons: difficult to secure for someone with poor or no credit history.

Government Grants	Generally restricted to very specific audiences

SBA has more information on financing options for your business venture as well as loans you may be eligible for [here](#).

6) Register your Business

Don't forget, you'll need to ensure you register your business with the right authorities. This involves a four-step process that applies to all businesses, whether you are a freelancer, a home-based business, or a franchise - regardless of whether you are incorporated or not.

1. Registering Your "Doing Business As" Name	Required if you are selling your product or services under a fictitious name. Learn more here .
2. Registering for State and Local Tax Purposes – This includes income tax, sales tax and unemployment insurance tax	<ul style="list-style-type: none"> – To register your business with your state tax agency and understand what you need to do based on your business type visit your state website. – To register your business with your city or county tax department - visit your city or county website. – If you plan to sell products and you are required to collect sales taxes, you'll need a Sales Tax Permit or Vendor's License from your state.
3. Register for Permits and Licenses	The requirements vary by business type and location. To find the licenses and permits that you need, use the Permit Me tool on SBA.gov.
4. Register for a Tax Identification Number from the IRS	Most entrepreneurs use their own social security number to pay business taxes, however if you have employees you'll also need to apply for an Employer Identification Number (EIN). Employers with employees, business partnerships, and corporations and other types of organizations, must apply for an EIN Online .

Additional Resources to Help your New Business Succeed

Continue your learning process by checking out additional tools and resources from SBA:

- [Start-Up Assessment Tool](#) - This assessment tool is designed to help you better understand your readiness for starting a small business. It is simple to use and will take less than five minutes to complete.
- [SBA Direct](#) - This online tool from SBA lets you personalize your experience of the SBA.gov and find the information you need quickly. Just by answering a few simple questions about your business, SBA Direct will bring the targeted resources you need to start, operate and grow your small business – directly to your desktop.
- **Sign-up for the [SBA Community](#)** where you'll find:
 - Blogs written by business experts
 - Discussion boards
 - Idea Exchange where you can post and get feedback to some of the community's most pressing business questions.

Contact SBA

Send us an email: answerdesk@sba.gov or give us a call: 800-827-5722.